

which allow users to skip commercials. One media agency executive says it's too early to tell how people will use TiVo in future years. TiVo says it currently has about 1 million users. But one scary study for TV advertisers shows more than 70% of people who own TiVo fast forward through ads.

Overall, executives believe marketing plans will see an increase in all kinds of product-integration deals in future years, all due to a still-growing plethora of media options, ratings erosion and possibly new digital technology like TiVo. But some traditions won't change that soon.

"You are still going to have the workhorse media-and that's still the 30-second spot-for a while," said Coca-Cola's Mr. Rains. "But product placement is a good insurance policy."

contributing: jean halliday

ATTACHMENT #5

Daily News (New York) July 12, 2000, Wednesday

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Daily News (New York)

July 12, 2000, Wednesday SPORTS FINAL EDITION

SECTION: TELEVISION; Pg. 80

LENGTH: 509 words

HEADLINE: WB YET AGAIN LEANS ON THE 'YOUNG' & CLICHEd

BYLINE: By ERIC MINK DAILY NEWS TV CRITIC

BODY:

YOUNG AMERICANS. Tonight at 9 on WB. 1 1/2 Stars.

Don't feel bad if you watch the opening minutes of "Young Americans" and think you're seeing one of those slick, thinly disguised commercials now shown in movie theaters.

The opening minutes of "Young Americans" are a slick, thinly disguised commercial for the presenting sponsor of this new WB summer series.

So when one of the show's hunky stars climbs off his bicycle and walks into the office of an old-fashioned gas station looking for cool refreshment, it's no accident that the bright red waist-high refrigerated case in the corner bears the familiar logo of Coca-Cola.

Nor is it an accident when we see the guy, later identified as rich-but-nice Scout Calhoun, reach into the case, pull out a shapely 6 1/2-ounce bottle of Coke, wedge its top into the side-mounted opener and pop off the cap.

Or when Scout banters with the lovely, midriff-baring blond gas-station clerk - later identified as poor-but-smart Bella Banks - and gallantly leaves behind one of his shapely Coke bottles on the hood of the truck she's sudsing up.

Or when Bella wraps her hand around the bottle, its white logo letters perfectly framed, and turns to see Scout pedal around the corner, glance back at her, toast her with his own bottle of Coke and take a long cold swig as he rides away.

I wouldn't ordinarily devote so much attention to product placement details, but the shameless exhibition of Coke in the show's opening sequence is symptomatic of the fundamental problem with "Young Americans." It's so obvious.

All you have to do is look at this collection of pretty young people - the hairless-chested, ripped-ab boys and knowing, yet fawn-like girls - and you just know you've tumbled into another WB show about another bunch of earnest, angst-ridden teens. Even the show's slightly soft focus and the dappled pastel colors scream "Dawson's Creek" or "Popular" or even "Charmed."

Not that "Young Caucasians" - oops, I mean, "Young Americans" - is without its charms. As well-worn, for example, as the poor-kid, rich-kid, small-town, private-school buddy concept is, it still has some resonance.

In this case, rich kid Scout (played by Mark Famiglietti) winds up becoming fast friends and roommates with poor-kid scholarship-student Will Krudski (played by Rodney Scott). Periodically beaten up by his father, Will has spent all of his 15 years living in the small New England town near the Rawley Academy, and he has always envied its privileged students' sense of limitless possibility.

Working-class Bella (Kate Bosworth) forms the third leg of this friendship triangle. Although a romance between her and Scout blooms quickly, there are, as they say, complications.

To their credit, the principal players sometimes transcend their clichéd surroundings, which is no mean feat. (A one-named, stubble-faced, long-haired teacher/coach, played by Ed Quinn, is as insufferable a character as you'll find on any show.)

You could do worse than "Young Americans," but you could do a lot better, too.

Wall Street Journal, July 12, 2000

TV's New Teen Drama Gives Starring Role to Coke --- What \$6 Million Can Buy: Soft Drink Is Everywhere In WB's Prep-School Saga.

By Joe Flint

A good-looking kid glistens with sweat as he pedals his mountain bike into a filling station. He pulls two ice-cold bottles of Coca-Cola out of a cooler in slow motion, takes a long drink, flirts with the pretty attendant and then heads on down the highway -- leaving one of the Cokes behind.

Sounds like the latest corny commercial for the Real Thing? Well, it is, sort of. It's the opening scene of "Young Americans," a new television series making its debut on Time Warner Inc.'s WB Network tonight. And guess who the biggest sponsor is.

In one of television's broadest and most blatant advertising gambits in recent years, Coca-Cola Co. has committed millions of dollars to saturate the fledgling drama with commercials and product placement. When "Young Americans," an hourlong weekly series about teens at an elite small-town prep school, starts its eight-week run tonight, viewers may be hard-pressed to figure out where the drama ends and the product-pitching begins.

People familiar with the agreement between the WB Network and Coca-Cola say it calls for Coke to spend roughly \$6 million on soft-drink advertising during the show, product placement and local promotions, including a sweepstakes with Loews' Cineplex Entertainment Corp., offering movie patrons who buy a Coke the chance to go to Los Angeles to meet the "Young Americans" cast.

As a "title sponsor," Coke gets at least three commercials in each episode of "Young Americans," plus a mention in every ad WB runs for the new show; the ads call the show "a Coca-Cola summer premiere." Coke products will often appear next to the acne-free teens populating WB programs. But Coke gets no script approval, a WB spokesman says, nor has it been guaranteed a minimum number of product appearances.

For Coke, the deal marks a new level of advertising intensity. "We're taking the shackles off in terms of innovation and marketing," says Jeff Dunn, senior vice president of marketing for Coca-Cola North America.

The soft-drink company's previous management, including former chairman M. Douglas Ivester, had a "self-limiting approach," Mr. Dunn says, and wasn't interested in working Hollywood ties to promote the brand. Coke's new chairman, Douglas Daft, has been pushing its marketing department to move faster and stay more attuned to youth.

Standing out from all the advertising noise was a major reason for the far-reaching sponsorship. With the networks continuing to increase the number of commercials on their shows, and viewers flipping the dial more than ever, TV advertisers feel they need to pull out all the stops to

be heard. "Every little bit helps us punch through," says Mr. Dunn. "If you're just buying spots, you have the channel-surfer effect."

Time Warner's WB Network initiated the deal through Coke's ad agency, McCann-Erickson, a unit of Interpublic Group. "We started talking three years ago about finding a way to do something different," says Jed Petrick, executive vice president of media sales at the network. Coke "is in a tough business and both of us are looking for an edge in the summer." Without the Atlanta soft-drink company's commitment, "Young Americans" would be collecting dust on a shelf, WB says: Each episode costs about \$1.2 million to produce. "Coke got us on the road to be able to afford this show," Mr. Petrick says.

Indeed, the sponsorship is a throwback to television's early days, when advertisers financed shows in return for advertising exclusivity. In some cases, advertisers paid production costs and even developed the shows themselves: Think of NBC's "Colgate Theatre" and "Texaco Star Theater." The practice had stopped for the most part by the 1960s, but it is now making a comeback as networks and studios look for creative ways to cover rising programming costs.

Last year, Sony Corp.'s Columbia TriStar Television struck a deal with retailer American Eagle Outfitters Inc. to supply wardrobes for the cast of the WB drama "Dawson's Creek." Viacom Inc.'s CBS network sold its hit reality show "Survivor" to eight advertisers including General Motors and Reebok International with promises of exclusive product placement. Artists Television Group, the TV arm of Michael Ovitz's new production company, is looking for similar product tie-ins for its new Wall Street drama, "The \$treet," which airs on News Corp.'s Fox network this fall.

Similarly, Kmart Corp. is sponsoring MTV's Monday night show, "Road Rules," to get its Route 66 denim brand on the air and on the show's cast members. A commercial airing during the show features the cast members promoting the jeans.

Recognizable brand names do add a dose of reality to TV shows: NBC's "Seinfeld" was full of real products -- Snapple, Junior Mints -- and they were often major elements in the plot line. "If you're going to tell a story that takes place in contemporary America, it should be plastered with product placement," says Robert Thompson, director of Syracuse University's Center for the Study of Popular Television.

But in "Seinfeld," the product placement wasn't paid for by advertisers but originated with the show's writers. The concern is that when paid product placements start driving the content, they go too far. "When the very content of these shows starts to be determined ahead of time by the people sponsoring it, that takes it to a different level," Mr. Thompson says. "I'm not sure it is something we want to celebrate."

By associating itself so closely with "Young Americans," Coke risks facing a backlash if the show becomes controversial. Like most WB dramas, "Young Americans" is full of scantily clad teenagers with raging hormones. In the first episode, one student has a fling with a local girl who, he later learns, may be his half-sister; another student at the all-boys school turns out to be

a girl, a la "Boys Don't Cry." Coke says executives have seen the pilot and had no problems with any of the content.

Coke also isn't worried that the very kids it is trying to reach will be turned off by the unabashed effort to make the show a marketing vehicle. "Teens actually expect it," says Coke's Mr. Dunn. "As long as the content is real and authentic, they're cool. They've moved from cynical to savvy." Still, both the WB and Coke promise that the heavy dose of product placement in the first episode won't be the norm. "We want to be integrated naturally into 'Young Americans,' " Mr. Dunn says.

"The premiere is by far and away as far as it gets," agrees WB's Mr. Petrick. "Coke was very adamant about not having too much exposure in the show, and I venture to bet it will be more toned down as we go on."

Of course, even an effort as smooth as Coke's isn't without complications: The WB had to digitally remove a Pepsi machine that popped up on a location shoot in the first episode.

The Atlanta Journal and Constitution October 29, 2000, Sunday,

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October 29, 2000, Sunday, Home Edition

SECTION: Business; Pg. 1P

LENGTH: 1006 words

HEADLINE: Coke leads push to place products in movies, TV

BYLINE: Scott Leith, Staff

SOURCE: AJC

BODY:

At one time, it seemed positively unusual to spot real products in the movies.

But along came 1982's "E.T. The Extra-Terrestrial" and an accidental star: Reese's Pieces candy.

That watershed event helped turn product placement into a business. Today, placement is so commonplace that companies like Atlanta-based United Parcel Service hire help to get their products on-screen. Another local giant, Coca-Cola Co., this year even paid enough money to plug its products throughout a teen-oriented show.

The question is how well placement works, especially in an age when much of the audience is downright cynical about advertising.

"Consumers generally are much more marketing-savvy these days," said Denise DeLorme, an advertising professor at the University of Central Florida who studies product placement.

Despite the longtime prevalence of product placement, many industry observers are curious to see what happens now that Coke has raised the stakes. The company spent \$ 6 million to buy sponsorship of the summer series "Young Americans" on Time Warner's WB Network. Coke is likely to ink a similar deal for summer 2001.

As the world's best-known brand, Coca-Cola is a bellwether in advertising and marketing. Coke's "Young Americans" deal included ads, product placements in the show and a prominent mention in the title. The combination pushed the envelope beyond routine deals.

Reviewers noticed. A writer for the New York Daily News called the opening minutes of one "Young Americans" episode "a slick, thinly disguised commercial." The influential Washington Post critic Tom Shales said Coke's product placement was "ludicrously conspicuous."

Coke shrugs off the criticism. "We feel good about our sponsorship of 'Young Americans' and certainly are looking at scripts for next year," said Karen Gough, Coca-Cola's vice president of marketing solutions.

Michael Kamins, a marketing professor at the University of Southern California, is one of a handful of academics who've studied product placement. He doesn't think it works very well, despite a few notable cases such as "E. T." and Reese's Pieces.

"It seems to work initially," Kamins said, but the impact "filters away" over a short period.

Companies are nonetheless willing to pay for the privilege. BMW bought its way into three James Bond films. In the next Bond movie, 007 will drive an Aston Martin, as he did before BMW came along. That's because Aston Martin's new owner, Ford Motor Co., bought the rights for the high-profile product placement.

What viewers probably don't realize is that many placements are free. Reese's Pieces made it into "E.T." at no charge after Mars Inc. declined to let producers use M&Ms candies.

In most cases, businesses donate the use of a product in exchange for screen time. There's even an industry that specializes in it.

"It is much more of a business now than it ever was," said Barbara Maultsby, vice president at UPP Entertainment Marketing in Burbank, Calif., an agency that reviews scripts and seeks placements for United Parcel Service, BellSouth and many others.

DeLorme, who did her dissertation at the University of Georgia on product placement, said the practice seems to work if done with subtlety. "A lot of the 'success' of a placement is that it's naturalistic," she said, such as a character drinking a Coke as part of normal behavior.

DeLorme has also found that viewers generally like seeing real products in movies. "It adds realism."

Gough said Coke has studied placement, largely via exit polling at movies. "We have gotten very positive feedback," she said. That was one factor behind Coke's support of "Young Americans."

Coke was disappointed that "Young Americans" ranked among the summer's lowest-rated shows, however. "We were looking for a stronger performance," Gough said. Nonetheless, Coke might buy title sponsorship to another show on WB. Coke is also in talks about a similar venture with another network, Gough said.

Most companies are content with more modest efforts.

UPS, for example, has been an active product-placer for the past two years. The company has two trucks in Southern California that are available for movies and television, said Ken Sternad,

vice president of public relations.

"We do it to drive home certain messages," Sternad said, citing global delivery among them. "We'd much rather have them say they've got a package from London instead of from Macon."

UPS has been happy with its exposure. There's a UPS driver in the new "Charlie's Angels" movie, for example, and UPS has had prominent appearances in movies that include "EdTV" and "George of the Jungle."

Atlanta-based Home Depot often gets calls to use its stores as background scenery. "Usually we OK it," said spokeswoman Marsha Ferguson, but the company doesn't actively seek exposure.

Delta Air Lines generally doesn't approve of placement. "For us, there's not a lot of gain there," said spokeswoman Tracey Bowen. "We often get requests, but we really don't accept."

One recent exception: The airline allowed producers to shoot part of NBC's "West Wing" in a Delta terminal. "It's a hit show, and obviously that helps," Bowen said. She added producers can't use Delta's image without permission.

One potential problem with placement is unpredictability. One scene in the pilot of "Young Americans" had to be reshot because a Pepsi machine was in the background, Gough said.

Few companies would want their image used in a movie about mass murder. That's where placement agencies come in. "We say no for a lot of our clients," Maultsby said. The goal is finding placements that are "positive and appropriate" via script reviews.

While product placement may have mixed results, it's not likely to go away. Gough said Coke will continue placement as a way of building the brand.

But she notes that many Coke appearances are pure luck, such as when a refrigerator was stocked with Coke in "E.T." "We get so much that just occurs naturally," she said.

ATTACHMENT #6

The New York Times, March 12, 2003

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The New York Times

March 12, 2003, Wednesday, Late Edition - Final

SECTION: Section C; Page 7; Column 1; Business/Financial Desk

LENGTH: 1143 words

HEADLINE: THE MEDIA BUSINESS: ADVERTISING;
Altered reality: ABC's new show 'All American Girl' will work in the products of sponsors.

BYLINE: By Stuart Elliott

BODY:

ABC is clambering aboard the bandwagon of networks that allow advertisers to place products in reality series by signing two major marketers, Schick and Cingular Wireless, to embed brands in all 13 episodes of a new show, "All American Girl," which has its premiere tonight.

In the show, which is billed as "a national search for the ultimate all-American girl," Schick will sponsor segments devoted to examples of "women's intuition." The company just so happens to have a new women's shaver named Intuition.

Cingular, meanwhile, will plug its mobile telephone and text messaging services with a variety of placement plays in the episodes and related sites online.

The placements are the first time that ABC has so intimately involved its sponsors in a reality series, but they come as the network has significantly increased its offerings in the genre. ABC's track record in reality programming so far has been a mixed one, with hits like "The Bachelor" and "The Bachelorette" and flops like two newer series "I'm a Celebrity -- Get Me Out of Here!" and "Are You Hot? The Search for America's Sexiest People."

Product placements, a staple in the early days of radio as well as TV, are returning to favor among advertisers and networks. Both the buyers and sellers of commercial time are eager to find alternate ways to reach an audience at a time when viewers are increasingly using technology to ignore spots by zipping, zapping or TiVo-ing them into oblivion.

The marketers and networks are gambling that the benefits of placements will outweigh the castigation by critics who complain about the blurring of the boundaries between programming and advertising. Those lines have recently been rendered fuzzier by reality series like "American Idol" on Fox Broadcasting and "Survivor" on CBS that are replete with product plugs within the

shows themselves from advertisers like Coca-Cola, Ford Motor, General Motors, Mars, the Old Navy division of Gap and Reebok International.

"It sounds as if 'All American Girl' ought to be named 'All American Commercialism,' " said Gary Ruskin, executive director of Commercial Alert in Portland, Ore., an organization that opposes what its members see as the overcommercialization of the media.

"Companies want to stick an ad into every nook and cranny of our lives and culture," Mr. Ruskin said. His organization recently protested plans by the General Electric Company to introduce in hospital rooms a network called the Patient Channel that would carry drug commercials. Mr. Ruskin urged support for a federal law that would require the disclosure of products placed by advertisers in television shows, movies, books and video games.

The search for sponsors that would place products in the episodes of "All American Girl" -- which offers viewers a chance to vote for their "dream girl" -- started months ago, as the series was beginning to be developed by ABC, part of the Walt Disney Company, and 19 Entertainment, a producer of "American Idol."

"We had an opportunity early on to see if we could turn 'All American Girl' into something bigger for our clients, by figuring out how to organically get them integrated into the show," said Geri Wang, senior vice president for prime-time sales at the ABC Television Network division of ABC in New York.

"We don't want something force-fed that would look amateurish," she added. "We want the right balance, because it would turn off the viewer if we had too much in the way of commercial messages."

Schick, which is being sold by Pfizer to Energizer Holdings, and Cingular, owned by BellSouth and SBC Communications, will also buy commercial time during the series. Terms of the deals were not disclosed, but are estimated to be in the low seven figures for each advertiser.

"What we're trying to get people to understand is how Intuition fits into the way women deal with their lives today," said Lynne Macchiarulo, brand manager for Intuition at Schick-Wilkinson Sword in Milford, Conn. The Intuition, combining razor blades with lather, will be introduced in April.

"We want to get our message out there by getting into female culture, and being part of television shows is an appropriate way to do that," she said.

For Schick, "All American Girl" will feature short segments tied to intuition, which Ms. Macchiarulo described as "women being asked how they used their intuition or how their intuition led them in a certain direction." The Intuition brand will be the sponsor of the contestant profiles posted online, where viewers can use their, yes, intuition, to guess who will win the contest.

The intuition segments are planned to start appearing in episodes of "All American Girl" next

month, so a decision has not been made as to whether they will actually carry the word with a capital "I" as well as with a small "i."

The segments evoke the trappings of 1950's TV, when Revlon, Geritol and other sponsors affixed their brand logos to the isolation booths, curtains and host lecterns on quiz shows like "The \$64,000 Question" and "Twenty-One."

"We've been looking for this type of program for the last 18 months," said Charlie Payne, director for media at Cingular in Atlanta.

"We really like the reality genre because we are able to integrate our products and services in a show," Ms. Payne said, "and because reality TV is able to establish a quick and loyal following among viewers who come back week after week."

"The viewers are able to become actively involved, too," she added. "They're not just passively watching."

To stimulate that involvement, Cingular customers will be able to take part in live, on-air polls through text messaging. Cingular will sponsor the voting line for viewers to choose contestants they like by voice calls or text messaging calls as well as the voting and polling sites on the ABC Web site (www.abc.com). Also, contestants and members of the staff of "All American Girl" will use Cingular phones for voice calls and text messages throughout the series. (Mobliss and AT&T Wireless perform a similar text messaging function for "American Idol" on Fox.)

Even before the broadcast of the first episode of "All American Girl," Ms. Payne said, Cingular is already exploring placements in other shows for the company's products and services.

ABC, Ms. Wang said, is also "looking at all our shows, not just the reality shows, to see where the right fit can occur."

"We're looking at it with a very critical eye," she added, "to see what makes sense for the network, the client, the product and the viewer."

Asked if such placements unduly blur the line between content and commercialism, Ms. Payne of Cingular replied: "That is one opinion, certainly. But I feel the consumer is much more sophisticated this day and age, able to recognize the difference."

ATTACHMENT #7

Wall Street Journal, April 22, 2002

Celebrities Help 'Educate' Public on New Drugs
By David P. Hamilton

Most people don't know what febrile neutropenia is, and even fewer have heard of a new drug for the condition called Neulasta.

But many, many people know Rob Lowe, which is why the actor from the hit television show "The West Wing" is kicking off a campaign today to raise public awareness of the ailment -- and indirectly, Amgen Inc. hopes, the fortunes of its new medication.

Mr. Lowe is scheduled to appear today on "The Rosie O'Donnell Show" and "Entertainment Tonight" to talk about febrile neutropenia, a term for infections that can plague patients undergoing cancer chemotherapy. Tomorrow, he will spend the day in a studio taping interviews with local TV stations around the U.S. He plans to make additional media appearances during the coming year.

Such celebrity campaigns are an increasingly popular way for drug makers to draw public attention to the maladies their medicines are designed to address. Celebrities often appear in paid drug ads, such as Lance Armstrong on behalf of Bristol-Myers Squibb Co. and its cancer drugs and Bob Dole on behalf of Pfizer Inc.'s Viagra. Amgen is using another approach -- that other drug companies also have tried -- which counts on the fame of celebrities such as Mr. Lowe to win time on TV programs eager to feature stars talking about serious medical topics. Those programs, when asked, generally say they air such segments because the celebrities have a "compelling story."

The U.S. Food and Drug Administration, which strictly regulates pharmaceuticals advertising, says such celebrity appearances don't need to conform to its rules unless the spokesman mentions a particular product by name. If, for instance, Mr. Lowe were to mention Neulasta in one of his TV appearances, FDA rules would require him to summarize the main side effects of the drug and to tell consumers where to find more detailed information via an 800 number or a Web site, an FDA spokesman says.

"I'm not selling a specific medicine," says Mr. Lowe, whose father, Chuck, suffered a *neutropenic infection during chemotherapy for lymphoma in the early 1990s. (He recovered and is free of cancer.)* "I am raising awareness of the biggest side effect of chemotherapy, which happens to be the one people know the least about."

Still, the line between outreach and advertising can be blurry. Amgen, a major biotechnology company in Thousand Oaks, Calif., has briefed Mr. Lowe on Neulasta and its effects, "so he's equipped with that information if he's asked about it," says Osnat Benshoshan, an Amgen marketing manager for Neulasta. Mr. Lowe, who is being paid by Amgen for the appearances,

says any decision to mention particular products will depend on "whether I feel comfortable" doing so, and emphasizes that his goal is "to help people engage their doctors."

Such so-called educational campaigns are especially important to pharmaceuticals companies when the medical condition is relatively rare and largely unknown even among the patients it can afflict, as with neutropenia.

Febrile neutropenia is unquestionably a serious problem. Since chemotherapy can decimate the body's disease-fighting white-blood cells, many cancer patients are at higher risk of serious infection, which can lead to hospitalization and interruption of their treatment.

But this campaign is important to Amgen for another reason, one familiar to many other pharmaceuticals makers. Neulasta, which Amgen launched earlier this month, is an update of an older Amgen drug called Neupogen that is commonly used to treat neutropenic infections. However, whereas Neupogen required daily injections, Neulasta may be administered every two to four weeks.

Amgen's goal is to persuade doctors both to switch to the new drug and to use it to prevent neutropenia instead of merely treating such infections after the fact. That would open up a far larger market for Neulasta than Neupogen ever enjoyed -- and Neupogen is one of the best-selling biotechnology drugs ever, with world-wide sales last year of \$1.3 billion.

Company marketers such as Ms. Benshoshan, however, worried that traditional doctor-focused marketing might take too long to get the attention of harried oncologists.

The answer: enlist the help of patients and their caregivers. "We know that patients can change physician prescribing behavior," she says.

Amgen, which has never marketed its products directly to the public before, began considering the benefits of marketing a specialty cancer medicine more broadly to the public. Such campaigns are rare, although not wholly unknown -- Amgen rival Johnson & Johnson has run TV ads for its Procrit, which fights anemia induced by chemotherapy.

Using a celebrity to raise awareness of neutropenia was immediately appealing, Ms. Benshoshan says. A year or so earlier, she had headed up a campaign in which New York Yankees manager Joe Torre made media appearances to talk about his battle with prostate cancer. While Amgen considered the campaign a success, it pulled the plug last year when its experimental prostate-cancer drug -- since dropped -- proved disappointing.

Drug companies prefer celebrities with a personal connection to the medical condition in question. But finding the right person isn't easy. That's why Amgen turned to Amy Doner Schachtel, a consultant and former public-relations executive in Essex Fells, N.J., who specializes in helping pharmaceuticals companies identify and hire celebrities. Ms. Schachtel knew Mr. Lowe previously had helped raise money for breast cancer -- his grandmother and great-grandmother died of it -- but was floored to find out after contacting the actor's agent that his father had suffered febrile neutropenia.

Mr. Lowe agreed to meet with Amgen as he was on his way home to Santa Barbara, Calif., from the "West Wing" set in Los Angeles. Amgen staffers lined the halls to get a glimpse at the actor, who says visiting the biotech company was like "walking into Futureworld."

Amgen's marketing team liked Mr. Lowe's story about his father and found him enthusiastic and well-spoken. Even better news rested in the actor's high "Q score," a measure of how credible an audience finds a public figure. Mr. Lowe's score was particularly high among women age 50 and older, one of Amgen's prime targets in the Neulasta campaign.

A star like Mr. Lowe, however, doesn't come cheaply. An individual familiar with the arrangement said the actor is likely to receive upward of \$1 million for the campaign, although he may donate at least part of that to charity; a representative for Mr. Lowe declines to comment. Ms. Benshoshan says only that Mr. Lowe is a "highly paid actor" who is being compensated for his time.

Amgen is contemplating a consumer-advertising campaign for Neulasta in the fall and already has drawn up draft TV commercials for Neulasta and is screening them in focus groups. The company, however, won't decide whether to proceed with the ad campaign until it can estimate how much sales will increase for a given advertising "buy."

Amgen also submits its advertising to the FDA for review, a voluntary step the company says helps it preserve a "good relationship" with regulators.

The New York Times, August 11, 2002

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August 11, 2002, Sunday, Late Edition - Final

SECTION: Section 3; Page 1; Column 3; Money and Business/Financial Desk

LENGTH: 3009 words

HEADLINE: Heartfelt Advice, Hefty Fees

BYLINE: By MELODY PETERSEN

BODY:

IN a rare interview, Lauren Bacall appeared on the NBC "Today" program in March, telling Matt Lauer about a good friend who had gone blind from an eye disease and urging the audience to see their doctors to be tested for it.

"It's just -- it's frightening because it -- it can happen very suddenly," she said. Ms. Bacall then mentioned a drug called Visudyne, a new treatment for the disease known as macular degeneration.

She never revealed that she was being paid to tell the story, and neither did the network, NBC.

"We compensated her for her time," said Dr. Yvonne Johnson, medical affairs director for the ophthalmics division of Novartis, the Swiss drug maker that sells Visudyne. Novartis chose Ms. Bacall for its marketing campaign, Dr. Johnson said, because she appeals to many people over 50, the primary market for the drug.

"We realized people would accept what she was telling them," said Dr. Johnson, who declined to say how much Ms. Bacall had been paid. "Our whole intent is to let people know they don't have to go blind."

The pharmaceutical industry is going Hollywood -- and getting a warm embrace.

In the last year or so, dozens of celebrities, from Ms. Bacall to Kathleen Turner to Rob Lowe, have been paid hefty fees to appear on television talk shows and morning news programs and to disclose intimate details of ailments that afflict them or people close to them. Often, they mention brand-name drugs without disclosing their financial ties to the medicine's maker.

And even when drug companies say they pay nothing, Hollywood producers have given their brand-name prescription drug products starring roles on prime-time television programs.

Last winter, for example, an episode of "Law & Order" on NBC revolved around Gleevec, a cancer drug sold by Novartis. On "West Wing," also on NBC, President Bartlet, played by Martin Sheen, suffers from multiple sclerosis and takes Betaseron, a drug made by Berlex Laboratories. Both companies say they did not pay for those prominent placements.

In the last few years, in their quest to wring more profit out of their drugs before the patents expire, pharmaceutical companies have poured billions of dollars into marketing their products -- fielding armies of sales representatives, entertaining doctors, nurses and pharmacists, and taking their pitches directly to consumers in glitzy television commercials and glossy magazine ads. Now, despite criticism that those tactics raise the price of drugs, some companies are also trying these more subtle sales pitches.

Consumer product companies like Coca-Cola and BMW have been using celebrity endorsers and placing their products in film and television scripts for decades. But doing so with prescription drugs raises a host of issues, experts say -- especially when celebrities fail to disclose their financial links to the companies.

"It is highly problematic and maybe even unethical," said Dr. Joseph Turow, a professor at the Annenberg School for Communication at the University of Pennsylvania.

"We admire these people and that is why drug companies pay for their time and services," Dr. Turow said. "But when it comes to issues of health, particularly medicines, transparency is an ethical concern. People should be clear about the reasons they are making certain recommendations."

Allison Gollust, a spokeswoman for the "Today" program, said NBC may have made a mistake in handling the interview. At the time of Ms. Bacall's interview, NBC executives did not consider her comments about Visudyne to be a problem, she said.

"In hindsight, and with more information about celebrities and their connection to drug companies, we may have handled that differently," Ms. Gollust said.

Terry Barnett, president of Novartis's operations in the United States, said the company did not intend for Ms. Bacall to promote Visadyne. But he said in the future, even if a celebrity is talking only about a disease, the company will be more careful at making sure the audience knows the star is working on the company's behalf. "I think we would look at that more closely in the future," Mr. Barnett said.

None of the drug companies would disclose how much they have paid stars for these services. But the case of Larry King provides an indication. After Mr. King talked publicly about his heart disease in a public awareness campaign, the company that put together that effort convinced the Guidant Corporation, which makes stents, to contribute medical equipment valued at \$1 million to Mr. King's charitable foundation, which helps poor people.

DRUG companies have also wielded the might they gain from their spending on consumer ads,

which came to \$2.7 billion last year alone, to stop scripts that might put a brand-name medicine in an unfavorable light. In December 2000, USA Network canceled the production of a television film called "Who Killed Sue Snow?" -- a film about the deaths of two Seattle-area residents who took cyanide-laced pain relievers -- after complaints from Johnson & Johnson, a major advertiser and the maker of Tylenol. (Tylenol, of course, weathered just such an incident in 1982.)

Jeffrey J. Leebaw, a spokesman for Johnson & Johnson, said the company had become aware of the movie and let the network know that it did not feel it was appropriate. "We did not threaten to pull our ads," he said.

Other health care companies, lacking that clout, have not fared as well in Hollywood. The nation's health insurers have grown so tired of their repeated portrayal by Hollywood as the corporate villains of the health care system that in June they hired the William Morris agency to improve their image.

Mark Merritt, senior vice president at the American Association of Health Plans, a trade group that represents 1,000 insurers, said a recent movie, "John Q," was the last straw for the companies. In it, an insurance company refuses to cover the cost of a heart transplant for a dying boy, and the boy's father, played by Denzel Washington, grows desperate as his son's condition worsens. As tension builds, he pulls out his gun and holds hostages in the emergency room until the hospital agrees to put the boy on the heart transplant list.

In other scripts, insurers are shown as profit-hungry companies that deny patients prescription drugs, which are almost always depicted as essential for health and life. In the "Law & Order" episode on Gleevec, the father of a young girl with leukemia kills an insurance executive after the insurer refuses to pay for the drug, which on the show and in real life costs \$25,000 a year. After his lawyers argue that the killing was justified, the jury is unable to reach a verdict.

Mr. Merritt said the William Morris agency was helping the insurers set up meetings with Hollywood executives. "We want to sit down with writers and producers of shows with health-care content and get a fair hearing for our side of the story," Mr. Merritt said. "Hollywood is too big to ignore."

There are many advantages to getting Hollywood on your side.

"When a celebrity talks about something, everyone stands up and takes notice," said Dr. Jonathan Sackier, the founder of Spotlight Health in Los Angeles, a company that creates star-studded medical education campaigns for health care concerns. Spotlight handled the deal between Mr. King and Guidant, for example, and rival firms like Premier Entertainment Consulting of Essex Fells, N.J., also match celebrities with drug and health-oriented campaigns.

Prime-time shows like "E.R." have twice the viewers as the evening news. More than 22 million viewers on average tuned into each episode of "E.R." last season, according to Nielsen Media Research, while 10.8 million watched Tom Brokaw on the "NBC Nightly News."

And even though the programs are fictional, viewers take them seriously. According to a study

sponsored by the Kaiser Family Foundation, 53 percent of viewers of "E.R." said they learned about "important health issues" from the show.

At the same time, drug companies can avoid federal drug advertising regulations by hiring celebrities for what they describe as campaigns to raise awareness about a disease. The regulations require that all prescription drug ads disclose the medicine's adverse effects and refrain from overstating its effectiveness.

As long as the celebrity does not mention a prescription drug by name, the Food and Drug Administration considers the event educational, not promotional, and does not regulate it, an agency official said.

But some recent appearances, including Ms. Bacall's interview on "Today," appear to be very close to going over the line. Ms. Bacall mentioned Visudyne by name, but she did not talk about the drug's side effects.

"We're aware that she said the word Visudyne once or twice," said Dr. Johnson at Novartis, "but she was not hyping the product."

Johnnie Planco, Ms. Bacall's manager, said she was never asked whether she was being compensated. "She felt this could help people," he added.

Amgen is another drug company, that has recently hired celebrities to help promote its products. It pays Danny Glover to help market Aranesp by raising awareness about anemia. The company, which sells Enbrel, for rheumatoid arthritis, also pays Kathleen Turner to discuss how she is coping with that disease. And it pays Rob Lowe to raise awareness about neutropia, a side effect of chemotherapy that is treated by its drug, Neulasta.

Ms. Gollust, at NBC, said "Today" declined an interview with Rob Lowe after learning of his Amgen ties.

Jeff Richardson, a spokesman for Amgen, said doctors had told the company they liked the celebrity campaigns. "Patients will see this and go to their physicians," he said.

Dr. Alan M. Langlieb, an assistant professor at the Johns Hopkins School of Medicine, said he learned just how much pressure Hollywood producers feel from health care companies when he helped create a series of news segments based on the content and story lines in "E.R." The news feature, which began in the late 1990's and ran through last season, was called "Following E.R." and appeared after each episode on local NBC stations. Dr. Langlieb said he had often been approached by companies that wanted their products mentioned, and that they had sometimes offered to pay for placements.

"They wanted the names of Hopkins and 'E.R.' to be tied to whatever they were doing," he said.

One drug company, American Home Products, now known as Wyeth, sent him a box of its products after it began paying NBC to sponsor the "Following E.R." reports.

"Some ad agencies for pharmaceutical companies approached me, asking me to be a consultant for their product lines," Dr. Langlieb said. "I turned them down because I thought it would be a conflict of interest."

DR. LANGLIEB said he and other academics at Johns Hopkins who created the news segments refused the companies' requests.

"I realized early on, that in Hollywood, you were either in or out," said Dr. Langlieb. "To stay in, it required a strong resistance to selling out."

A similar news feature, also created by experts at Johns Hopkins, ran on CBS after the medical drama "Chicago Hope." In 1998, the Pharmaceutical Research and Manufacturers Association, the trade group representing drug companies, paid CBS about \$1 million to sponsor the program and the news report, which was called "Living with Hope," Dr. Langlieb said.

Dr. Langlieb said the trade group did not approve the news report's content, suggest topics or ask that any medicines be mentioned.

But the pharmaceutical trade group's contract with CBS raised questions among some breast-feeding advocates when a Chicago Hope episode focused on the risks of breast feeding. The episode featured an infant dying after a mother refused to give the baby manufactured formula even though her own milk supply was not enough. The pharmaceutical trade group's members include some of the biggest baby formula suppliers in the country, like Bristol-Myers Squibb, Abbott Laboratories and Wyeth.

"It just seemed too coincidental," said Kimberly Cavaliero, the public relations director at La Leche League International, a group that promotes breast feeding. "A lot of people believe what they see on television, even though it is fictional."

Jeff Trehwitt, a spokesman for the trade group, said the association did not talk to the producers of "Chicago Hope" or have any input into the show's story line.

A CBS spokeswoman referred questions to David E. Kelly, the producer of Chicago Hope. Mr. Kelly's spokeswoman said he was not available to comment.

Dr. Langlieb said that, in his work with writers and producers of "E.R.," he had been told that some companies had negotiated with the show to get products placed in episodes in exchange for money or free medical equipment to use on the set.

But Dr. Neal Baer, the former executive producer of "E.R.," said that he did not meet or talk to drug companies that may have wanted to get favorable depictions of their products or coverage of health conditions that their products treat.

"We're not in the business of promoting products," said Dr. Baer, now executive producer of "Law & Order: Special Victims Unit."

Even so, Dr. Baer said, "E.R." episodes frequently include the brand names of drugs -- if the product was featured in a positive way. In one episode, he said, a girl overdosed on Tylenol, which seriously damaged her liver. Instead of using the Johnson & Johnson brand name, Tylenol, Dr. Baer said, the network's policy required him to use its generic name, acetaminophen. "The companies spend a lot on promotion," he said. "They would have sued us."

Some episodes from television shows have later been used by drug companies in their own promotional efforts. For example, after an "E.R." episode featured Dr. John Carter finding skin cancer on a patient, Schering-Plough hired Noah Wyle, the actor who plays Dr. Carter, for a campaign to raise awareness of the disease. Schering-Plough sells Intron A, used to treat melanoma.

Pfizer also hired Mr. Wyle to raise awareness of post-traumatic stress disorder. When Pfizer's campaign began in January 2001, the fictional Dr. John Carter was dealing with psychological trauma as he recovered from a stabbing. Mr. Wyle kicked off the campaign by appearing on "Today." He appeared again on the NBC morning program in November 2001, about two months after terrorists struck the World Trade Center on Sept. 11. Both times, the program disclosed that Mr. Wyle was working with Pfizer.

Pfizer makes Zoloft, an antidepressant that is approved to treat post-traumatic stress disorder. During the November interview, Mr. Lauer asked Mr. Wyle questions as if he were the doctor he plays on television.

"Noah, trauma is trauma, and we all react to trauma in different ways, so how do you kind of give people a guideline as to what's normal reaction and what steps over the line and gets into something serious?" Mr. Lauer asked.

MR. WYLE gave reasonable advice. "The first thing that you should do is just get it off your chest, just talk about what it is you're feeling, what it is that you've seen and are reacting to," Mr. Wyle said. If the problem persists, Mr. Wyle said, the person may want to see a professional.

Eddie Michaels, Mr. Wyle's agent, said the actor wanted to help raise awareness about the syndrome after traveling to Macedonia, where he talked with war refugees.

"Most actors are not interested in promoting a drug," Mr. Michaels said. "The message has to be one that will bring awareness and not one to sell.

"Sure, the pharmaceutical company gets some return," he added, "but it is much more educational than an advertisement."

In April, Montel Williams, who suffers from multiple sclerosis, devoted an entire show to a discussion of the disease. On the show, Mr. Williams said that he takes Copaxone.

"Copaxone has been what has kept me running," Mr. Williams told the audience. He never discussed the drug's possible side effects or his financial ties to Teva Pharmaceuticals, which sells Copaxone.

In a deal put together with the help of Spotlight Health, Teva paid Spotlight Health, which then paid Mr. Williams's charity, The Montel Williams MS Foundation, according to Dr. Sackier at Spotlight Health. The Web site describing Mr. Williams' charity says its goals are to raise money for research on multiple sclerosis and educate the public. Dr. Sackier said he could not reveal how much money Teva had paid or Mr. William's foundation had received.

Greg Westbrook, a spokesman for Teva, said the company felt its marketing campaign was appropriate. "We did not tell Mr. Williams what to say," he said.

Mr. Williams said he received no money personally from his foundation and was not misleading anyone. "I have deliberately and repeatedly stated that my treatment is not appropriate for all MS sufferers," he added.

Even when no drug is mentioned, the message often gets across. In February, Kathleen Turner appeared on "Good Morning America" on ABC to talk about her rheumatoid arthritis. Ms. Turner did not disclose that she was actually being paid by Wyeth and a company that became part of Amgen, which sell Enbrel, a new treatment.

BUT without saying the word Enbrel, Ms. Turner told Diane Sawyer that the "new medications" were "extraordinarily effective" and did not have any side effects. She also referred viewers to more information at a Web site maintained by the companies, without saying their names.

Douglas Petkus, a spokesman for Wyeth, said a producer of the news program had been given material that clearly showed it had been prepared by the companies. "The responsibility to disclose was not Kathleen's," Mr. Petkus said.

Lisa Finkel, a spokeswoman for "Good Morning America," said the news program was troubled by how the interview had been handled and had become much more careful. "We always want to disclose any pertinent information," Ms. Finkel said. "No one is more bothered by this than us."

ATTACHMENT #8

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Hiding a Television Commercial in Plain View

BYLINE: By STUART ELLIOTT

BODY:

An NBC-owned talk show is offering marketers the chance to buy guest spots for their products and executives, further blurring the line between programming and advertising.

The sponsored segments were included in about two dozen shows appearing during the 2001-02 season of the entertainment program "The Other Half," which is owned, produced and distributed by the NBC Enterprises division of NBC, part of General Electric. The show -- which is modeled on ABC's "The View," but with male hosts including Dick Clark -- has had representatives from advertisers like Clorox, Hyundai Motor America and even Tan Towel, a "self-tanning towelette," appear on the show as part of the regular programming.

During the Clorox-sponsored segment, for example, the hosts, who also include the actors Danny Bonaduce and Mario Lopez, faced off against members of the studio audience in a make-believe game show about housekeeping. And on the segments paid for by Hyundai, a company marketing executive offered tips on buying and leasing cars. A Hyundai vehicle was on stage for each of the four segments and on the final one, which appeared Wednesday, the company gave away a vehicle to the winner of an online sweepstakes.

While the executives were identified as being from Clorox and Hyundai, the hosts made no mention that the visits were part of an advertising arrangement or that the segments were of a different nature than the show's usual fare like "Pajama Streetwear Fashions" and "The After-Sex Wish List."

The sponsored segments were formally identified as such only at the end of each show, when during the closing credits the words "Promotional consideration provided by," followed by the name of the segment sponsor, appeared briefly on screen.

By making these deals an intrinsic part of the business model for "The Other Half," NBC is

ratcheting up a trend that disturbs critics who are concerned about the increasing commercialization of popular culture.

"It's very alarming advertisers are allowed to have so much control over the content of programming," said Jeff Chester, executive director at the Center for Digital Democracy in Washington, an advocacy organization.

"G.E. needs to be ashamed that its television division is engaged in such low-ball tactics to grab advertising dollars," he added. "It's time for Congress to move in and hold hearings on the role advertising is playing in shaping content as the audience goes uninformed."

Executives of "The Other Half" are unapologetic about its marketing arrangements. "There's nothing duplicitous about it, nothing being withheld or hidden," said David Brenner, the president of Marathon Ventures and a sales and marketing consultant who is overseeing the sponsored segments for NBC Enterprises. "Most viewers today are pretty savvy about what's going on with television. They know sponsors are using a variety of ways to reach them."

Television networks, advertisers and agencies argue that they must seek nontraditional methods of peddling products because consumers can now easily avoid traditional 30-second commercials by zipping or zapping them with remote controls, VCR's and digital video recorders.

"Everyone is struggling to make the connection between consumers and advertisers," Mr. Brenner said.

"The 30-second commercial is still the gold standard," he added, "but it's an enormous challenge for advertisers to break through the clutter."

Getting the attention of consumers has resulted in a growing list of incursions of advertising into the realm of programming. For instance, the WB network named a reality series, "No Boundaries," after a slogan for vehicles sold by the Ford Motor Company. The writers of the ABC soap opera "All My Children" are featuring Revlon in a three-month story line. Sponsors of the CBS hit series "Survivor" like Mars and Reebok have their merchandise placed in episodes as contestants are seen eating and wearing the products.

Also, Rosie O'Donnell ate a Wendy's salad during an episode of her talk show as part of an ad deal between Wendy's International and AOL Time Warner. And under terms of an advertising deal between Ford and NBC, musical guests appearing this summer on Friday nights on "The Tonight Show With Jay Leno" will perform on a stage where Lincoln cars and S.U.V.'s will be parked. The segment will be known as the Lincoln Garage Concert Series.

NBC, which also has a home-shopping network called Shop NBC and sells merchandise on a Web site, says it has no plans to expand the sponsored segments beyond the type talk-show entertainment genre represented by "The Other Half."

Neither NBC Enterprises nor the sponsors would discuss the prices being charged for the sponsored segments on "The Other Half," but it is estimated that the advertisers paid a five-

figure sum for each segment.

"We expect to do it more next year," Mr. Brenner said, "and we expect many of the advertisers to be back."

Those marketers rave about their experiences on the show, which appears weekdays on local stations that cover about 78 percent of the country, including 9 of the 10 largest television markets. "It was a great opportunity for us and gave us terrific exposure," said Paul Sellers, director for marketing communication at Hyundai Motor America in Fountain Valley, Calif., a division of the Hyundai Motor Company. "You're going to see more and more of this."

Mr. Sellers estimated that the 18 minutes of air time his company received during the segments cost "one-tenth" what it would if Hyundai had bought the equivalent amount of 30-second commercials.

"The commercial is becoming an endangered species, so if we can get product placement in a program, that's awesome," Mr. Sellers said, adding that his company would "absolutely" consider sponsoring similar segments on "The Other Half" next season.

Mr. Sellers acknowledged that marketers and agencies risk alienating viewers by aggressively expanding the role of advertising in programming, adding: "It's incumbent on us and the producers of the shows to create segments that entertain and engage without being too heavy-handed. These are more readily accepted in a talk-show-type genre than in some traditional prime-time programming."

Mary O'Connell, a spokeswoman for the Clorox Company in Oakland, Calif., said, "We know our consumers; they're busy people bombarded all the time, so we're looking for opportunities where the idea is what can we do to expand outside the realm of the typical 30-second commercial and make the information more fun and engaging."

"You could argue that's blurring the line," Ms. O'Connell said, "but it was set up as talking about cleaning and Clorox." She compared the segment to "an actor coming on a talk show to sell a movie and we see a film clip" along with an interview.

Advertising had been discouraged from crossing the line over to programming for decades, ever since the major broadcast networks retook control of their schedules in the late 1950's and early 1960's. Until then, advertisers and agencies created and provided shows to the networks, whose origins could be seen by titles like "Texaco Star Theater," "Coke Time" and "Schlitz Playhouse of Stars." The stars of many shows like Jack Benny, George Burns, Dinah Shore and Milton Berle even delivered commercials that were woven into the programming.

That ended when the cost of sponsoring a show became too prohibitive for a single company and commercials started to be sold one at a time to a variety of advertisers. But the sponsored-programming model is eliciting renewed interest as the networks wrestle with a steep, prolonged downturn in ad spending by marketers.